



CITY OF
UNION GAP
1883

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Budget Note
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A budget retreat was held in March of 2023. Council was informed that there was a deficit in the general fund during the 2023 budget process. It was covered, but the deficit is expected to increase to approximately \$750,000 in 2024.

Discussion was held on how to reduce the deficit. Information was presented by staff relating to fee comparisons and new revenues. It was discovered that some of the current city rates were well below comparative rates that were pulled. Some new revenue options were also presented that Union Gap had not yet taken advantage of.

One point that was highlighted during the retreat was something that staff has been asked when going to our legislators with funding requests. They often ask us if we have used the tools they have given us. Translated, that means, have we exercised the 1% property tax increase; have we implemented utility taxes; motel taxes; impact fees; business license fees; have we formed a transportation benefit district, etc.?

At the Budget Retreat, we explored the options and evaluated the effects.

Once the information was presented and discussed, staff was directed to bring items back to council for consideration so that the 2024 budget could be balanced.

Some of the items staff is working on for council consideration are as follows:

NEW REVENUE	
Revenue Item	Who does this affect
Impact/Developers Fees	Developers/builders
Utility Tax @ 10%	Utility customers
Penalty Fees for utility customers	Late payers
COMPARABLES	
NSF	Overdraft items
Business Licenses	Business owners
Parks Fees	Parks users
Electronic/Credit card fees	Electronic/Credit Card users (city to no longer to absorb the fees)
Dog Licensing	Dog Owners

Keep in mind, even though the city may approve multiple increases, those increases don't always impact the same group of people. Problem solving the deficit issue is difficult for everyone involved but when looking throughout the area at comparables and new revenues, even with the increases being proposed, Union Gap would continue to charge at a lower level of fees than most.